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FISCAL IMPACT STATEMENT

LS 6274

BILL NUMBER: SB 13

NOTE PREPARED: Nov 18, 2007

BILL AMENDED:

SUBJECT: Standardized Public School Building Plans.

FIRST AUTHOR: Sen. Hershman

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill requires the Department of Education, in cooperation with the Building Law Compliance Officer of the Department of Homeland Security, to develop and update standard plans and specifications for the construction of a school building, an athletic facility, or a building relating to the administration of a school corporation. It requires the department to make these plans available to school corporations.

The bill requires a school corporation to acquire standard plans before building a facility and determine whether to use the standard plans. It provides that a school corporation may use nonstandard plans only if the governing body adopts a resolution finding that standard plans do not serve the needs of the school corporation and the community and stating the reasons standard plans do not meet the needs of the school corporation and the community.

The bill requires the County Board of Tax and Capital Projects Review, the School Property Tax Control Board, and the Department of Local Government Finance to approve the use of nonstandard plans.

The bill provides that a contract for professional services relating to construction of a facility must provide that any completed plans developed under the contract become the joint property of: (1) the person providing the professional services; (2) the school corporation; and (3) the state; and may be used by the state and any school corporation without payment to the person providing the professional services.

Effective Date: July 1, 2008.

Explanation of State Expenditures: The Department of Education (DOE) would likely need to add staff

who can develop or modify a series of plans for new school facilities. Prior to 1995, DOE employed four professional staff to review construction proposals.

Assuming that at least two staff members at \$55,973 and one administrative assistant at \$30,960 would be needed to perform this function, a portion of the cost would be \$206,540 for FY 2008 and \$204,615 for FY 2009. The funds and resources required above could be supplied through a variety of sources, including the following: (1) existing staff and resources not currently being used to capacity; (2) existing staff and resources currently being used in another program; (3) authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) funds that, otherwise, would be reverted; or (5) new appropriations. DOE had 75 vacant positions worth \$831,236 as of November 12, 2007. Of the vacant positions, 35 had been vacant for more than two years. DOE reverted about \$5.2 M to the state General Fund on June 30, 2007. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

The initial development of the variety of standardized plans is probably more than two staff people can accomplish. The plans must be developed for different sizes and types of schools. For the first year, DOE will probably need to contract with architects, engineers, or other professionals to assist in the development of standardized plans since the plans have to be developed by June 30, 2008.

School new construction projects included architect fees of about \$30.3 M in CY 2007. The cost would depend on the number of plans developed by DOE and by outside consultants, but DOE costs could range from \$2 M to \$3 M in the first year.

Explanation of State Revenues:

Explanation of Local Expenditures: The Department of Local Government Finance approved school new construction projects worth \$597.6 M during CY 2007. Of the \$597.6 M, \$30.3 M was budgeted for architect fees on the construction projects. After June 30, 2008, when DOE has developed the standardized plans, local school corporation architect fees for construction of new school facilities should diminish significantly.

Schools that choose not to use the standardized plans may incur additional expense in the notification to taxpayers of the decision and possible referendum. There would be no additional cost of holding the referendum during a general election or primary.

Explanation of Local Revenues:

State Agencies Affected: Department of Education.

Local Agencies Affected: Schools.

Information Sources: Department of Local Government Finance.

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